

## Part III - Administrative, Procedural, and Miscellaneous

### Postponement of Filing Date for Form 8898

Notice 2006-57

#### PURPOSE

This Notice postpones until October 16, 2006, the due date for filing Form 8898, Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession, for tax years 2001 through 2005.

#### BACKGROUND

Section 937 was added to the Internal Revenue Code by section 908 of the American Jobs Creation Act of 2004, Public Law 108-357. Section 937(c) generally requires individuals who take the position for U.S. income tax reporting purposes that they became, or ceased to be, a bona fide resident of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, or the United States Virgin Islands to file notice of such position. Such a change in residence must be reported for taxable years ending after October 22, 2004, as well as for any of an individual's preceding three taxable years. Thus, for calendar year taxpayers as of the date of this Notice, if any individual changed residence to or from a U.S. possession during any of the tax years 2001, 2002, 2003, 2004, or 2005, information reporting generally is required for each of those tax years in which there is a change of residence.

Under section 937(c) and Treas. Reg. § 1.937-1(h)(1), the IRS may prescribe the time and manner by which taxpayers are to provide such notice of their change in residence. On April 18, 2006, the IRS released Form 8898, Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession, on which the information reporting required under section 937(c) is to be made. See IRS Announcement 2006-25, 2006-18 I.R.B. 871.

The instructions to Form 8898 provide that, beginning with tax year 2001, an individual with worldwide gross income of more than \$75,000 must file Form 8898 for the tax year in which the individual becomes or ceases to be a bona fide resident of a U.S. possession. The due date prescribed in the instructions for filing Form 8898 is the due date (including extensions) for filing Form 1040 or Form 1040NR, except that for tax years 2001 through 2005, Form 8898 must be filed by July 17, 2006 (or, for 2005, any extended due date).

Since release of Form 8898, taxpayers have expressed the view that in a significant number of cases, the prescribed due date will not allow adequate time to gather and comply with the information reporting requirements of Form 8898 for prior years.

## GRANT OF RELIEF

The IRS has granted a postponement of time for taxpayers to file Form 8898 for tax years 2001 through 2005 until the automatic extended due date (irrespective of whether the taxpayer applied for an extension) for filing Form 1040 or Form 1040NR for the 2005 calendar year. Accordingly, taxpayers who changed their residence to or from a U.S. possession during any of those tax years must file Form 8898 by October 16, 2006. Except for this postponement of the due date, Form 8898 must be filed in accordance with the form instructions.

## DRAFTING INFORMATION

The principal author of this notice is J. David Varley of the Office of Associate Chief Counsel (International). For further information regarding this notice contact Mr. Varley at (202) 435-5262 (not a toll-free call).